Winona Housing Co-operative Inc.
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By-law No. 8

SPENDING BY-LAW

Passed by the Board of Directors on February 10th, 2026
Approved by the Members on March 24th, 2026

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1. PURPOSE OF THIS BY-LAW

The purpose of this Spending By-law is to help the Co-op control its spending. It sets out the rules for how the Co-op's money is spent and who must give permission for each type of spending. This By-law takes the place of or amends all previous by-laws or resolutions with matters covered in this By-law. If there is a conflict this By-law governs. It changes the rules in the Co-op's existing by-laws in the following areas:

- Article _____ in By-law No._____, the Organizational By-law N/A
- By-law No. _____, a By-law to Amend the Investment Rules in By-law No. _____, the Organizational By-law. N/A

Winona's Board of Directors will Review this By-law annually and propose amendments as required.

2. OPERATING EXPENSES

2.1 The Occupancy By-law says that each year the members will approve an operating budget for the next fiscal year. The Co-op board of directors has the authority to spend the operating funds of the Co-op in each fiscal year up to the amount of the total operating budget.

2.2 Unless the members decide otherwise at the time of budget approval, the board can use a surplus in one category of expense to offset a deficit in another category within the budget.

2.3 Individual members, staff and committees of the Co-op may not authorize expenditures or otherwise make financial commitments on behalf of the Co-op, or renew contracts or contracts procurements, unless the board has given them explicit authority to do so.

2.4 The board will delegate to the staff of the Co-op the authority to procure contracts and spend funds within the limits it sets. The renewal of contracts are to be determined and approved by the Board. The board may also delegate spending authority to committees for a specific expense or type of expense within the limits it sets.

2.5 No person may initiate or approve any expense or purchase that substantially benefits that person or where that person has any conflict of interest with respect to that expense or purchase.

2.6 If the board feels that there should be a change in the total operating expenses and/or housing charges during a fiscal year, it must call a special meeting of the members to consider the change in accordance with the Occupancy By-law.

3. CAPITAL EXPENSES

3.1 The board must adopt a capital budget and work plan if it is planning capital expenditures and present it to a meeting of the members for approval.

3.2 The capital budget and work plan must show:

- the list of capital items to be replaced or repaired
- the estimated cost
- the proposed source of funds
- the estimated timeline, and
- the impact of the proposed expenses on the Co-op's current and future operating and capital budgets.

The board must follow the procedures set out in the Occupancy By-law for preparing capital budgets.

3.3 Members' approval of the capital budget will authorize the board to spend the Co-op's funds for capital expenditures for the purposes and from the source specified, to a maximum of the total expenditures in the budget.

3.4 The board must directly approve all contracts and contract renewals, as well as other documents that commit the Co-op to spend significant amounts of capital funds as set out in Article 6. Copies of the signed contracts must be delivered to the Board within 24 hours.The board can delegate authority to the staff to spend lesser amounts. When the board delegates authority, it must set limits on the amounts staff may spend and give any specific directions relating to the expenses that it considers appropriate.

3.5 No person may initiate or approve any capital expense or purchase that substantially benefits that person or where that person has any conflict of interest.

4. BUDGET CONTROL

4.1 Each month, the board will receive a summary budget control report prepared by the Co-op's manager or bookkeeper. The report will compare budgeted operating income and expenses to actual income and expenses.

4.2 The board will also receive a detailed budget review at least every three months. The report will

- compare budgeted income and expenses to actual income and expenses
- show the projected income and expenses for each category in the budget for the rest of the year
- provide a written explanation of any projected or actual surplus or deficit.

4.3 If the board has planned capital expenses, the board will receive a summary budget control report prepared by the Co-op's manager or bookkeeper. The report will compare budgeted capital expenses to actual expenses.

4.4 The board will also receive a detailed budget review at least every three months. The report will

- compare budgeted capital expenses to actual expenses
- show the projected expenses for each category in the budget for the rest of the year
- provide a written explanation of any projected or actual variances.

5. EMERGENCY EXPENSES

5.1 Emergency expenses are those expenses the Co-op must make immediately because a delay will

- risk property damage, or
- endanger the safety of persons or property, or
- disrupt essential services to members (for example, light and power, heat, hot water, refrigeration, cooking).

5.2 The board can authorize any unbudgeted emergency expenses on the Co-op's behalf without further authority from the members. The board may delegate authority for emergency expenditures to Co-op staff or to any other persons.

5.3 All unbudgeted emergency expenses must be reported to the board. Significant unbudgeted emergency expenses must be reported by the board to the members.

6. FAIR, OPEN AND OBJECTIVE BUSINESS PRACTICES

6.1 The Co-op will follow fair, open and objective business practices in all its purchasing and contracting. Its spending practices and awarding of contracts must be consistent with the conflict of interest and confidentiality rules in the Co-op's by-laws.

6.2 For capital repairs and replacements, the Co-op may hire consultants to provide contract administration services including

- assessing deficient building components
- developing a remedial action plan
- preparing specifications and tender documents
- tendering the remedial work and making a recommendation to the Co-op
- administering the contract and inspecting the remedial work.

6.3 The following rules apply to all spending except for routine or non-discretionary expenses such as property taxes, mortgage payments, utilities and existing salaries (once a staff position and salary have been approved).

(a) Expenses under $5,000.

The board or other person authorized by the board is not required to get written quotations for expenses under $ 5,001, but must take a prudent approach to all spending. This could include getting a written quote or getting three oral quotes.

(b) Expenses between $5,001 and $25,000.

The board or other person authorized by the board will get three written quotes based on a detailed written scope of work before approving a discretionary expense between $5,001 and $25,000. The board may waive this requirement in cases where

- the co-op has used a particular supplier or contractor regularly, or
- participates in a bulk-buying program, and
- has found that the prices are competitive.

The Co-op must review the prices of regular suppliers and contractors at least every second year to see if their prices remain competitive. Where the Co-op has a contract, the Co-op must review prices at the end of the contract.

There will be no automatic renewal of any contract or agreement.

(c) Expenses of $ 25,001 or more

The board or other person authorized by the board will use a formal tendering process to get written quotes based on a detailed written scope of work for contracts of $25,001 or more. Contracts for projects costing $25,001 or more must contain a clause allowing the Co-op to terminate the contract or agreement without penalty where there has been a breach of the conflict of interest provisions in the Co-op's by-laws.

There will be no automatic renewal of any contract or agreement.

The board or other person authorized by the board involved in the formal tendering process must sign a confidentiality agreement that applies to all information about the Co-op and all information received from the bidders. They can sign the attached Form 1, Confidentiality Agreement.

6.4 When choosing a quote or bid, the board or other person authorized by the board must consider

- whether the quote or bid meets the requirements set out in the detailed scope of work
- the quality of goods and services to be provided
- the experience of the service provider or contractor
- the timing of the work
- the extent to which the product or service is "environmentally friendly", and
- the cost of the work.

The board or other person authorized by the board does not have to choose the lowest quote or bid. They may choose another for reasons such as quality, experience and timing. If they do not choose the lowest bid, they must document the reasons for their choice in the minutes of the board meeting.

FORM 1

Confidentiality Agreement

Winona Housing Co-operative Inc.

I have agreed to help the Co-op in a formal bidding process under the Co-op's Spending By-law.

I understand that

- I will learn confidential information during the bidding process
- I will use any confidential information only to evaulate the bids
- I must keep secret any confidential information even after the formal bidding process is over.

Confidential information is

- Any information received from bidders
- Any information discussed at meetings dealing with the formal bidding process
- Any information about the Co-op that is relevant to the formal bidding process.

Unless authorized by the board, I agree not to respond to any inquiries related to the formal bidding process.

Signature:

_____

Print name

_____ _____

Signature Date